



UNITED STATES MARINE CORPS

U.S. MARINE CORPS BASES, ATLANTIC
1468 INGRAM STREET
NORFOLK, VIRGINIA 23551-2596

IN REPLY REFER TO:
4860
G-8

U.S. MARINE CORPS BASES, ATLANTIC ORDER 4860

From: Commander
To: Distribution List

Subj: COMMERCIAL ACTIVITY POST-COMPETITION MOST EFFICIENT
ORGANIZATION (MEO) REVIEWS

Ref: (a) OMB Circular No. A-76, May 29, 2003
(b) COMMARFORCOM msg 302144Z OCT 06

Encl: (1) Conduct of Post-Competition MEO Reviews

1. Purpose. To establish COMMARCORBASESLANT policy and requirements for conducting Post-Competition Most Efficient Organization (MEO) reviews, and delineate roles and responsibilities of COMMARCORBASESLANT and subordinate commands with respect to these reviews. This guidance applies to all MEOs, including those that competed prior to May 29, 2003.

2. Cancellation. None.

3. Background. COMMARCORBASESLANT will ensure compliance with reference (a) by conducting initial Post-Competition MEO reviews. Based on a successful outcome, MCI East will be responsible for subsequent reviews and in assisting subordinate commands with continual oversight and review over all performance periods. MCI East will be responsible to update information in accordance with reference (b) and COMMARFORCOM will validate the information as required. Reviews shall be conducted in accordance with enclosure (1). Authorization to vary from these guidelines must be requested and received in writing.

4. Applicability. This policy applies to all COMMARCORBASESLANT installations with Commercial Activities cost competitions that reached a final decision.

T. G. LEARN
Chief of Staff

Distribution: A-1

Conduct of Post-Competition MEO Reviews

1. Purpose.

a. The purpose of this directive is to establish COMMARCORBASESLANT requirements for conducting Post-Competition Most Efficient Organization (MEO) reviews, and delineate roles and responsibilities of COMMARCORBASESLANT and subordinate commands with respect to these reviews. This guidance applies to all MEOs, including those that competed prior to May 29, 2003.

2. Goals and Objectives.

a. MEOs must demonstrate they are effective and fully operational over the stated performance periods.

b. MEOs are monitored annually and performance is evaluated based on the following criteria:

- (1) Successfully transitioned and implemented.
- (2) Performance is satisfactory.
- (3) Cost falls within the In-house cost estimate (IHCE).

c. If it is determined at any time that a MEO has defaulted due to poor performance and/or excessive cost, the MEO will be given a reasonable time to correct the deficiencies. If the MEO fails to correct deficiencies, notification and termination will be conducted in accordance with reference (a), attachment B, section E.6, and a new competition will be held.

3. Background.

a. Ref (a), attachment (b), sec E.2., requires agencies to maintain a database to track execution of agency streamlined and standard competitions.

b. Ref (a), attachment (b), sec E.4. requires that after implementing a performance decision an agency shall:

- (1) Monitor performance for all performance periods stated in the solicitation;
- (2) Implement the quality assurance surveillance plan;
- (3) Retain the solicitation and any other documentation from the streamlined or standard competition as part of the competition file;

(4) Maintain the currency of the contract file, consistent with Federal Acquisition Regulation (FAR) Subpart 52.207-1, for contracts, MEO letters of obligation, and fee-for-service agreements;

(5) Record the actual cost of the performance for the performance period;

(6) Monitor, collect, and report performance information, consistent with FAR Subpart 42.15, for purposes of past performance evaluation in a follow-on streamlined or standard competition;

(7) Record the actual cost of performance by performance period by adjusting actual costs for scope, inflation, and wage rate during the specific performance period.

(8) Compare the actual costs to the costs recorded on Standard Competition Form Lines 6 and 7 of the cost compare form when the performance decision was made.

4. Requirements.

a. Once a cost comparison decision is awarded to the MEO, implementation will be in accordance with the transition plan. Within 60 calendar days after the end of the transition period, or 60 calendar days of the MEO implementation date, the installation will submit a funding baseline to COMMARCORBASESLANT.

b. For every year of MEO performance, a year-end review will be conducted in accordance with the Post-Competition MEO review checklist outlined in Appendix A. The year-end review is completed annually within 60 calendar days after the end of the performance period.

c. COMMARCORBASESLANT is the MEO certification official throughout all performance periods. A COMMARCORBASESLANT-designated review team, external to the installation, will conduct the first year progress update. If the first performance period demonstrates successful transition, MCI East will be tasked to ensure the reviews in subsequent years are completed in accordance with this guidance and provide results and recommendations to the Installation Commander and COMMARCORBASESLANT. On a case-by-case basis, a COMMARCORBASESLANT representative will be on-site to assist and oversee the follow-on reviews. Year-end reports will be submitted to HQMC via the chain of command.

d. Reference (a), attachment (b), section E.6.a., provides steps to follow in the event of non-performance for either a MEO

or a Contractor. MCI East is required to notify COMMARFORCOM G-8 immediately of a potential for non-performance.

e. FAR Subpart 42.1501, General, states past performance information is relevant information for future source selection purposes, regarding a contractor's actions under previously awarded contracts. For MEOs reviewed per this document using the attached checklist, past performance will be documented by a Contracting Officer to receive consideration for credit as a High Performance Organization (HPO).

f. Cost COMPARE Software, Standard Competition Form Line 6, hereafter referred to by this document as the In-House Cost Estimate (IHCE), is the official Office of Secretary of Defense total cost for agency performance, including personnel, material and supplies, overhead, and other specifically attributable and/or additional costs.

5. Responsibilities.

a. COMMARCORBASESLANT will:

(1) Serve as the Post-Competition MEO certification official and certifying official for reference (b).

(2) Conduct the first year Post-Competition MEO review after completion of the first full year of performance by completing Appendices A and B, and providing the findings and recommendations to the MEO Installation Commander, MCI East and HQMC. Provide on-site oversight and assistance for subsequent reviews as necessary.

(3) If MEO performance is acceptable, a certification letter with the evaluation summary will be submitted to HQMC with a copy to the Contracting Officer. If MEO performance is not acceptable, the letter will indicate the noted deficiencies and the time period allowed for the MEO to correct the discrepancies.

b. MCI East will:

(1) Ensure appropriate files and records are maintained.

(2) Coordinate with the MEO, Contracting Officer, Continuing Government Installation (CGA), and Residual Organization (RO) to provide requested documentation to the first-year Post-Competition MEO review team.

(3) Maintain the DCAMIS website in accordance with SECNAV and Marine Corps instruction.

(4) Determine if the MEO was implemented in accordance with its transition plan.

(5) Ensure the necessary resources are available to satisfy the requirements of the PWS.

(6) Determine if the MEO has adequately justified any deviations from its proposed staffing in the Management Plan.

(7) Compare the records of work performed with the work required by the PWS, and determine if the MEO is fulfilling the requirements of the PWS satisfactorily.

(8) Examine and confirm documented mission changes.

(9) Analyze actual and adjusted costs expended by the MEO through review of financial accounting records.

(10) Work with the Regional Contracting Officer to determine the MEO is/is not performing within the solicitation.

(11) Work with the Installation and regional comptrollers to prepare and submit a funding baseline for the MEO to COMMARCORBASESLANT within 60 calendar days after the end of the transition period specified by the PWS. If the PWS does not specify a transition period, the funding baseline will be submitted within 60 calendar days after the start of full performance.

(12) Notify COMMARCORBASESLANT G-8 and COMMARCORBASESLANT Comptroller when final decision is made and when transition has been completed.

c. Installation Commander will:

(1) Develop a first year funding baseline and mid-year progress update based on actual comptroller costs and forward this to COMMARCORBASESLANT via MCI East.

(2) Transition to the MEO as directed by the transition plan.

(3) Demonstrate the MEO is effective and fully operational over the stated performance periods.

(4) Be monitored annually to demonstrate performance based on the following criteria¹:

¹ IAW OMB Circular A-76, should the MEO not meet the criteria, the MEO will be required to develop a compliance plan to correct deficiencies within a reasonable time. If a MEO fails to correct the deficiencies, notification and termination actions can be taken to proceed to a streamlined or standard competition.

(a) Successful transition and implementation of the transition plan.

(b) Costs fall within the In House Cost Estimate.

(c) MEO is meeting the performance standards stated in the solicitation.

(5) Re-run Cost COMPARE files annually.

(6) Maintain appropriate files and records to support performance and cost decisions and have them readily available at all times. Information must be readily available to the review team. At times it will be advantageous for the reviewer(s) to review reports and data ahead of time. If so, electronic documentation may be requested. The Installation BPO or other appropriate office designated by the Installation Commander will be the point of contact for access to records and backup data. A minimum list of records and backup data to be maintained are as follows:

(a) Implementation Information

- Management Plan (MEO, TP, TPP)
- Implementation Schedules and Milestone Completion Dates
- DCAMIS Data
- MEO Staffing History - Positions and Personnel
- Personnel Source Documents
- MEO Position Management Records
- RO/REO Staff List
- Equipment, Facilities, and Services Acquisition
- Property Records
- MEO Subcontracts

(b) PWS Information

- PWS
- Historical Workload Exhibits
- Actual Workload Data
- QASP & PRS
- Performance Requirements Changes Certified by Non-MEO Authority Providing Quality Assurance and PWS Maintenance
- QA Reports
- QC Reports
- Performance Data

COMMARCORBASESLANT will be notified immediately if this should occur.

- Customer Satisfaction
- Improvement Actions
- Workload Comparison
- MIS/MAXIMO/other system reports

(c) Cost Data

- Cost COMPARE Worksheets
- Baseline and Quarterly Costs
- Cost Comparison File
- Position and Personnel Lists
- IHCE Matrix
- Obligation Reports
- Military Labor
- Payroll Related Reports
- Saved Pay
- Material and Supply Costs
- Other Specifically Attributable/Additional Costs
- Depreciation Costs
- Maintenance and Repair Items Costs
- Utilities Costs
- TAD Travel Costs
- Training Costs

(7) The Installation BPO, or other appropriate offices designated by the Installation Commander, will:

(a) Conduct the Post-Competition MEO mid-year progress update, and provide the findings and recommendations to the MEO, Installation Commander, Contracting Officer and COMMARCORBASESLANT BPO.

(b) Maintain current records of the same type examined during the first year Post-Competition MEO review.

(c) Maintain records used during the first year Post-Competition MEO review.

(d) Ensure adequate personnel are assigned to the Post-Competition MEO review team (Installation BPO or other appropriate office).

(e) Have all records of the commercial activities cost comparison available to the BPO.

(f) Run a current version of the Cost COMPARE file.

6. Funding Baseline:

a. The funding baseline is a high-end funding forecast of the first performance year, reflecting actual labor costs that may not have been accounted for in the original IHCE. [The funding baseline uses actual dollars and is not the same as the IHCE.] The intent of establishing a funding baseline is to keep Program Managers and Comptrollers informed of potential budgetary requirements specifically related to the MEO, especially in the first year when the MEO is in transition, and is not a guarantee of funding levels.

b. Actual labor rates paid to MEO employees should be used. Other expenses related to the implementation of the MEO workforce, such as employee relocation expenses and insurance costs, should be included. The funding baseline will include actual costs of the items listed below.

(1) Actual salaries (considering saved grade/retained pay employees) including Military Labor (using the Annual Rate Billable to Other Federal Agencies.)

(2) Actual fringe benefits (vs. 32.85% default fringe in IHCE)

(3) COLA

(4) Locality pay

(5) PCS costs/relocation expenses

(6) Insurance

(7) Other expenses directly attributed to MEO workforce

(8) Listing by actual names, grades, steps (no SSNs), with total number up to and including the number of allowed positions in the MEO

(9) Special bonuses or incentive pay

7. Appendices.

a. Appendix A, Review Guide Checklist for Annual Review.

b. Appendix B, Post-Competition MEO Review Evaluation Summary.

c. Appendix C, Sample Review Letter.

Appendix A
Review Guide for Annual Review

1. Transition and Implementation

Certification Criterion: MEO implementation is substantially complete, and the necessary resources to satisfy the requirements of the PWS are in place.

Step 1 - Obtain the information required.

<u>Item</u>	<u>Document/Data</u>	<u>Source</u>	<u>Review Instructions</u>	<u>Evaluation Comments</u>
1	Management Plan		Obtain the final MEO Management Plan, including the Transition Plan.	
2	MEO final decision date		Determine when the MEO final decision (i.e., solicitation canceled) was announced.	
3	Implementation schedules and milestone completion dates		Obtain any additional transition and implementation schedules, along with milestones and dates on which the milestones were achieved.	
4	DCAMIS implementation completed date		Obtain a DCAMIS printout for the MEO.	
5	MEO staffing history - positions and personnel		Obtain an HR report of all names, grades, steps, position titles, series and employment dates of MEO personnel during the review period.	
6	Personnel source documents		Obtain access to MEO personnel files, including position descriptions, notification of personnel actions and licenses and training certifications.	
7	MEO position management records		Obtain all MEO position change documentation, whether approved or submitted for approval.	
8	RO/REO staff list		Obtain the residual (effective) organization (RO/REO) current staffing. (The term RO or REO specifies the organization in Management Plans.) CGA (Continuing Government Activity) is the term used to cover the broader government functions providing oversight of the MEO.	
9	Equipment, Facilities and		Obtain a listing of all equipment, facilities and	

	Services Acquisition		services acquired by the MEO for its implementation, including that from the IHCE which has since been disposed.	
10	Property records		Obtain the current inventory of government furnished property transferred to the MEO, including shared property. Obtain documentation of shared property usage.	
11	MEO subcontracts		Obtain documentation identifying the types and quantities of PWS work performed by contractors during the performance period.	

Step 2 - Analyze and evaluate MEO implementation.

<u>Item</u>	<u>Document/Data</u>	<u>Source</u>	<u>Review Instructions</u>	<u>Evaluation Comments</u>
			Was the MEO implemented according to the Transition Plan and with the necessary resources to satisfy the requirements in the PWS?	
1	DCAMIS report for MEO		Determine the date implementation was completed, as reported in DCAMIS.	
			Was the MEO implemented with the necessary resources to satisfy the requirements in the PWS?	
2	Management Plan		Identify the MEO positions and FTEs in the Management Plan.	
3	MEO staffing		Review the HR report of MEO positions and personnel and/or the personnel files and determine whether the MEO has been staffed per the Management Plan and subsequently approved position changes, during the performance period. Determine position vacancy percentages, contributing factors and mitigating actions (addressing labor shortfalls) at start, mid-point and end of performance period.	
4	Acquisition of equipment, facilities and services		Compare the MEO planned acquisition of equipment, facilities and services necessary for MEO implementation with actual acquisition of these items and services.	
5	GFP records		Was custody of Government Furnished Property, identified in the current inventory, transferred to the MEO?	
6	MEO subcontracts		Compare actual contracts to contracts listed in the Management Plan for the performance period. Document the rationale for variations in the list of planned MEO subcontracts. Determine how contracts NOT included in the Management Plan may have impacted FTE requirements and	

<u>Item</u>	<u>Document/Data</u>	<u>Source</u>	<u>Review Instructions</u>	<u>Evaluation Comments</u>
			total actual cost. Compare actual and estimated contract administration support.	
7	Licenses and Training Certifications		Determine if licensing and training requirements per PWS and Management Plan have been met. Document variations from requirements and any mitigating actions.	

2. PWS Performance

Certification Criterion: The MEO is performing the work described in the PWS, and its performance is satisfactory, per the rating criteria in the performance assessment plan.

Step 1 - Obtain the information required.

<u>Item</u>	<u>Document/Data</u>	<u>Source</u>	<u>Review Instructions</u>	<u>Evaluation Comments</u>
1	PWS		Obtain the PWS with all solicitation amendments.	
2	Workload - historical exhibits		Obtain the technical exhibits of historical workload.	
3	Actual workload data		Obtain actual workload data for each functional area at the level of detail it is generated for management information by the MEO.	
4	QASP & PRS		Obtain the updated QASP and PRS.	
5	Performance requirements changes		Obtain records of all changes to the PWS/work requirements, workload estimates, and performance standards that have been approved or submitted for approval since the solicitation was cancelled.	
6	QA reports		Obtain QA surveillance results covering each functional area and samples of inspectors' reports.	
7	QC plan		Obtain the current QC plan developed by the MEO.	
8	Performance data		Obtain samples of work process performance data (e.g., response and completion times) for each functional area.	
9	Customer satisfaction		Obtain records of customer complaints and results of customer surveys. Schedule customer interviews with managers and users to further assess customer perspective.	
10	Improvement actions		Obtain records of improvement opportunities identified and improvement actions taken by the MEO (e.g., MEO meeting minutes).	

Step 2 - Analyze, evaluate, and rate MEO performance.

Item	Document/Data	Source	Review Instructions	Evaluation Comments
			Is the MEO performing the work described in the PWS, and is its performance satisfactory, per Quality Assurance surveillance results and/or the measurement and rating system in the MEO Assessment Plan?	
1	Workload comparison		Compare actual workload against projected workload provided in the solicitation exhibits (Section J). Determine whether there were any significant changes in workload.	
2			Ensure that services shown in the solicitation as Government-provided services are not included in the MEO workload.	
3			Ensure the actual work produced by the inherently governmental activities is not included in the MEO produced services.	
4	Performance standards		Evaluate whether any changes to the QASP have changed the quality or timeliness standards.	
5	Performance comparison		Compare actual performance against current performance standards for each work requirement in the PRS. Determine if a special inspection is required to measure performance against standards.	
6	Performance rating		Determine an annual performance rating, using QA surveillance results or the rating system in the MEO Assessment Plan, and determine if the MEO's actual performance rating is, at least, satisfactory.	
7	QC data		Determine if the MEO's QC plan is implemented and how and to what extent work process performance is monitored. (E.g., response time and customer complaint data are captured and analyzed and process descriptions are written and used.)	
8	Improvement actions		Determine how and to what extent improvement opportunities are identified and acted upon.	

3. Cost

Certification Criterion: Total review period actual costs, less saved pay, do not exceed the total IHCE (adjusted for inflation and PWS changes).

Step 1 - obtain the information required

Item	Document/Data	Source	Review Instructions	Evaluation Comments
1	Management Plan		Review the Management Plan for proposed MEO staffing and proposed equipment, facilities and services acquisition.	
2	Cost Comparison File		Obtain the original cost comparison file, including the automated Cost Comparison Form, accompanying worksheets, and individual line item records.	
3	Position and personnel lists		Obtain the HR documentation of positions and personnel, which was identified in the Transition and Implementation section of this guide.	
4	IHCE matrix		Develop a by-line item cost matrix (spreadsheet), which conforms to the IHCE, to be used for comparison of IHCE and actual costs.	
5	Labor Costs - Line 1 obligation reports		Obtain SABRS obligation reports showing total review period labor costs.	
6	Military labor		The cost of any military personnel used to cover labor shortfalls should also be identified.	
7	Payroll related reports		Obtain payroll related reports identifying actual review period cost amounts for salary pay, other entitlements, other pay (e.g., overtime, differential pay), and fringe benefits.	
8	Saved pay		Obtain the calculated review period saved pay amounts; by each MEO position filled by personnel who received saved pay.	
9	Material and Supply Costs - Line 2		Obtain SABRS obligation reports showing total review period material and supply costs.	
	Other Specifically Attributable Costs - Line 3			

10	Depreciation costs		Obtain depreciation tables for property included in the IHCE.	
11	Rental property costs		Obtain source documents showing total review period rental property costs.	
12	Maintenance and repair items costs		Obtain SABRS obligation reports showing total review period maintenance and repair costs.	
13	Utilities items costs		Obtain source documents showing total review period utilities (items identified in the IHCE) costs.	
14	Travel costs		Obtain SABRS obligation reports showing total review period travel costs.	
15	Subcontract costs		Obtain SABRS obligation reports showing total review period subcontract costs, including contracted labor costs.	
16	Additional costs - Line 5		Obtain SABRS obligation reports and source documents showing total review period costs for line 5 items.	

Step 2 - Analyze and evaluate MEO cost

Item	Document/Data	Source	Review Instructions	Evaluation Comments
			Is the actual cost of MEO performance within the total cost in the IHCE, adjusted for inflation and PWS changes?	
1			Use the IHCE matrix (spreadsheet) to enter cost amounts and show the by-line comparison of the IHCE and actual costs.	
2			For all actual costs, evaluate the adequacy of audit trails and availability of supporting documentation. Verify that all assumptions, data, sources, and methods of cost accumulation are documented.	
3	MEO staffing history		Ensure that all personnel assigned to the MEO during the review period are accounted for in the actual labor cost.	
4	Labor Costs - Line 1		Determine the actual review period labor cost attributable to the MEO, including salary pay, other entitlements, other pay (e.g., overtime, differential pay), and fringe benefits. (Use actual fringe benefit costs, rather than applying the IHCE fringe rate.)	
5			Ensure that all actual direct labor and supervision costs necessary to accomplish the requirements of the PWS are included.	
6			Ensure that the actual costs of government furnished services in the PWS are not included in the MEO costs.	
7	Other pay and entitlements		Review actual amounts of other pay and entitlements and compare to MEO estimates.	
8	Saved pay adjustment		Review saved pay for MEO personnel. Subtract this amount from the total review period labor costs to determine the adjusted actual labor cost.	
9			Ensure the costs of providing quality assurance for the MEO are not included in MEO labor costs.	
10	Material and		Determine the cost of goods and	

Item	Document/Data	Source	Review Instructions	Evaluation Comments
	Supply Costs - Line 2		services actually acquired by the MEO during the review period.	
11			Review the PWS and solicitation documents to determine which materials should be included in the actual cost. Government Furnished Material (GFM) and Government Furnished Equipment (GFE) should be excluded from the cost comparison since the costs were common to the MEO and other bidders.	
	Other Specifically Attributable Costs - Line 3		Agency costs for other costs such as the cost of capital, depreciation capital assets, rent, utilities, insurance, and MEO subcontracts for each period of full performance (annual)(in 000s of \$s)	
12	Depreciation costs - non-charges		Determine review period depreciation costs of assets in use by the MEO. Ensure that assets depreciated for the IHCE are the assets being used.	
13	Rental property costs		Determine the MEO's cost of rental property for the review period. Verify that actual rental costs are for the same property estimated in the IHCE. Any rental costs that would have applied to either in-house or contractor performance should be excluded.	
14	Maintenance and repair costs		Determine the actual MEO cost of maintaining GFP during the review period. Ensure that capital expenditures for major improvements or asset enhancements are not shown as actual costs for maintenance and repair.	
15	Utilities costs		Determine actual MEO review period costs for utilities (items identified in the IHCE) that would have not been provided to the contractor/ISSA but were required for in-house performance.	
16	Insurance costs - non-charges		Identify insurance cost estimates in the IHCE to use as non-charged amounts for inclusion in the total MEO review period cost.	
17	Travel costs		Determine actual MEO review	

<u>Item</u>	<u>Document/Data</u>	<u>Source</u>	<u>Review Instructions</u>	<u>Evaluation Comments</u>
			period travel costs.	
18	Contract costs		Determine actual MEO review period contract costs, including contracted labor.	
19			Document any actual costs of providing quality control to MEO subcontracts.	
20	Overhead costs - Line 4		Determine MEO overhead costs by applying 12% to adjusted (without saved pay) actual labor costs.	
21	Cost of capital - Line 5		Determine MEO cost of capital for capital assets acquired. These assets would not have been provided to the contractor and would have been acquired either less than 2 years prior to start of the first performance period or within the performance period.	
22	Additional costs - Line 5		Determine the review period costs for the additional cost items identified in the IHCE. Include IHCE amounts for non-charged items.	
23	IHCE matrix		Total the actual costs on the IHCE matrix (spreadsheet) and compare by-line and total actual costs to the IHCE amounts.	

Appendix B
Evaluation Summary
Post-Competition MEO Review

Transition and Implementation

Evaluation Results

MEO implementation was substantially complete, and the necessary resources to satisfy the requirements in the PWS were in place.

All documents and data necessary for the review were made available. The analysis resulted in the following findings.

Amendment Canceling Solicitation and MEO Obligation Letter	<i>Dates</i>
Performance Period Reviewed	<i>Dates</i>
MEO Positions	Start: # <i>authorized</i> ; % <i>filled</i> . Mid-Year: End:
Position Changes	
Licenses, Certifications and Training	
Acquisition of Facilities, Equipment, and Services	
MEO Subcontracts	
Contingency Services	
GFP Inventory	

Discussion and Recommendations

PWS Performance

Evaluation Results

The MEO is performing the work described in the PWS, and its performance is satisfactory, per the rating system in the performance assessment plan.

All documents and data necessary for the review were made available. The analysis resulted in the following findings.

PWS Changes	
Workload Data	
QA Surveillance Results	
Performance Data	
Customer Input	

Discussion and Recommendations

Cost

Evaluation Results

Total review period actual costs, less saved pay, do not exceed the total IHCE (adjusted for inflation and PWS changes).

All documents and data necessary for the review were made available. The analysis resulted in the following cost information.

<u>IHCE Lines</u>	<u>Original IHCE</u>	<u>Adjusted IHCE</u>	<u>Actual Cost</u>
1. Personnel			
Less Save Grade/Pay			
Subtotal			
2. Mat & Svc			
3. Other Attrib. Costs			
4. Overhead			
5. Cost of Capital			
6. Additional			
Totals	\$0	\$0	\$0
Deltas		\$0	\$0

Adjustments to IHCEActual Cost Variance from Adjusted IHCEDiscussion and Recommendations

Practices Assessment

The following items address management and business practices of the MEO and the Continuing Government Activity.

Technology

Work Management Systems	
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Performance Assessment (CGA)

Quality Assurance	
Performance Assessment and Reporting	

Performance Management (MEO)

Quality Management	
Selection and Use of Performance Measures and Data	

PWS Administration

PWS and Cost Change Procedures and Documentation	
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Financial Management

Cost Management	
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Business Environment

Continuing Government Activity Roles	
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Appendix C
Sample Review Letter

Below is a sample of the type of letter the Review Team leader will produce following the performance of the Review. This letter is utilized to notify COMMARCORBASESLANT of the results of the review to include noting compliance with OMB Circular A-76, May 29, 2003.

From: MCI East
To: COMMARCORBASESLANT

Subj: POST-COMPETITION MEO REVIEW OF (*FUNCTION*) AT (*LOCATION*)

Ref: (a) COMMARCORBASESLANT Guide for Conducting Post-Competition MEO Reviews

1. We have completed the Post-Competition MEO Review required in reference (a). The objective of the review was to determine whether the MEO has been implemented in accordance with the Transition Plan, verify the MEO performed the services of the PWS, and determine if actual costs are within the in-house cost estimate. Our review began on (*date*) and was completed on (*date*).

2. Our review included the actual and estimated costs to accounting records and other supporting documentation; however, we did not evaluate the adequacy of internal controls or the accuracy of the accounting and computer records.

3. Our examination did not disclose any significant deficiencies during the review that caused us to believe the performance of the MEO was not in compliance with OMB Circular A-76, its Performance Work Statement and In-House Cost Estimate.

OR

3. The following issues came to our attention during the review that caused us to believe the performance of the MEO is not in compliance with OMB Circular A-76, its Performance Work Statement and/or In-House Cost Estimate. Thus, the MEO has been given (time period) to correct the discrepancies outlined in the enclosed review team summary and recommendation letter. At the completion of the corrective action period, the review team will re-evaluate the areas of discrepancy and a determination regarding MEO certification will be made at that time.

(*SIGNED*)